

# HOUSE BILL No. 1666

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-3-3-3; IC 27-8-5.6-1.

**Synopsis:** Insurance technical correction. Removes references to the 1971 Indiana Code from sections of the Indiana insurance code.

**Effective:** July 1, 2001.

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**Smith M**

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January 17, 2001, read first time and referred to Committee on Insurance, Corporations and Small Business.

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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

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## HOUSE BILL No. 1666

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A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 27-3-3-3 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2001]: Sec. 3. Within thirty (30) days after  
3 delivery of the plan of acquisition or an approved summary thereof to  
4 shareholders as hereinabove provided, any shareholder of the  
5 subsidiary insurer may notify the subsidiary insurer in writing of his  
6 dissent from the plan and of his demand for payment of fair value of his  
7 voting stock, and, if the acquisition proposed in the plan is effected, the  
8 subsidiary insurer shall pay to each dissenting shareholder, upon  
9 surrender of the certificate or certificates representing the affected  
10 voting stock, the fair value thereof as of the day prior to the date on  
11 which the plan of acquisition was adopted by the board of directors of  
12 the parent corporation, excluding any appreciation or depreciation in  
13 anticipation of, or resulting from, that corporate action. Dissent and  
14 demand under this section shall be accompanied by the certificate or  
15 certificates representing the dissenting shareholder's voting stock for  
16 notation thereon that dissent and demand have been made, unless a  
17 court of competent jurisdiction, for good and sufficient cause shown,

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IN 1666—LS 6644/DI 97+



1 shall otherwise direct. Dissent and demand shall only be made jointly  
2 by holders of voting stock jointly held. Any shareholder failing to make  
3 the dissent and demand accompanied by certificates representing his  
4 voting stock within the thirty (30) day period shall be bound by the  
5 terms and conditions of the plan of acquisition. Any shareholder  
6 making dissent and demand accompanied by certificates representing  
7 his voting stock shall thereafter have no rights with respect to that  
8 voting stock except the right to receive payment therefor under this  
9 section, and a transferee of voting stock shall acquire by the transfer no  
10 rights other than those which the original dissenting shareholder had  
11 after making dissent and demand.

12 No dissent and demand may be withdrawn unless the president or  
13 a vice-president of the subsidiary insurer shall consent thereto in  
14 writing. If, however, dissent and demand is withdrawn upon such  
15 consent, or if the plan of acquisition is abandoned, or if a dissenting  
16 shareholder fails to submit for notation or surrender for payment the  
17 certificate or certificates representing his voting stock at the time and  
18 in the manner required by this section, or if a dissenting shareholder  
19 does not file a petition for a determination of fair value of his voting  
20 stock within the time and in the manner provided in this section and the  
21 subsidiary insurer does not file a petition for such determination, or if  
22 a court of competent jurisdiction determines that a dissenting  
23 shareholder is not entitled to the relief provided by this section, then  
24 the right of the dissenting shareholder to be paid the fair value of his  
25 voting stock shall cease and his status and rights shall be the same as  
26 a shareholder failing to make dissent and demand, without prejudice to  
27 any corporate proceedings which may have been taken during the  
28 interim.

29 Within sixty (60) days after the acquisition proposed in the plan is  
30 effected, the subsidiary insurer shall give written notice thereof to each  
31 shareholder who has made dissent and demand as in this section  
32 provided, and shall make a written offer to each such dissenting  
33 shareholder to pay for his voting stock a specified price deemed by the  
34 subsidiary insurer to be the fair value thereof. This notice and offer  
35 shall be made when deposited in the United States mails, postage  
36 prepaid, addressed to the dissenting shareholder at his address of  
37 record. If the offer is accepted in writing by the dissenting shareholder,  
38 the subsidiary insurer shall pay the specified price to the dissenting  
39 shareholder upon surrender of the certificate or certificates representing  
40 his voting stock. Upon such payment the dissenting shareholder shall  
41 cease to have any interest in such voting stock and such voting stock  
42 shall be retired by the subsidiary insurer pursuant to IC ~~1971~~,

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1 27-1-8-12.

2 If within thirty (30) days after the date of the mailing of the written  
 3 offer the subsidiary insurer and a dissenting shareholder do not agree  
 4 in writing upon the fair value, the subsidiary insurer or the dissenting  
 5 shareholder may, within ninety (90) days after the date of the mailing  
 6 of the written offer, petition the circuit or superior court of the county  
 7 in which the principal office of the subsidiary insurer is located to  
 8 appraise the fair value of the voting stock as of the day prior to the date  
 9 on which the plan of acquisition was adopted by the board of directors  
 10 of the parent corporation, excluding any appreciation or depreciation  
 11 in anticipation of, or resulting from, that corporate action. If more than  
 12 one (1) petition is filed, the petitions may be consolidated or joint  
 13 hearings may be held thereon. The practice, procedure and judgment  
 14 in the circuit or superior court shall be the same, so far as practical, as  
 15 that under the eminent domain laws in this state. The judgment of the  
 16 circuit or superior court shall be final. A judgment shall be payable  
 17 only upon and concurrently with the surrender by such dissenting  
 18 shareholder to the subsidiary insurer of the certificate or certificates  
 19 representing the voting stock. Upon payment of the judgment, the  
 20 dissenting shareholder shall cease to have any interest in the voting  
 21 stock and such voting stock shall be retired by the subsidiary insurer  
 22 pursuant to IC ~~1971~~, 27-1-8-12.

23 This section shall provide the exclusive method for dissenting from  
 24 a plan of acquisition effected pursuant to this chapter and demanding  
 25 payment of fair value of the voting stock acquired or to be acquired  
 26 under such a plan.

27 SECTION 2. IC 27-8-5.6-1 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. As used in this  
 29 chapter, the term "accident and sickness insurance" means any policy  
 30 or contract covering one (1) or more of the kinds of insurance  
 31 described in classes 1(b) or 2(a) of IC ~~1971~~, 27-1-5-1, as governed by  
 32 IC ~~1971~~, 27-8-5.

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